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## **LANNETT AND ADARE ENTER INTO DISTRIBUTION AGREEMENT FOR DEXMETHYLPHENIDATE HYDROCHLORIDE EXTENDED RELEASE CAPSULES**

**Philadelphia, PA & Princeton, NJ – October 22, 2018** – Lannett Company, Inc. (NYSE: LCI) today announced that it has entered into an agreement with Adare Pharmaceuticals, Inc., to be the exclusive U.S. distributor of Dexmethylphenidate Hydrochloride Extended Release (ER) Capsules USP (CII), 5 mg, 10 mg, 15 mg, 20 mg, 25 mg, 30 mg, 35 mg and 40 mg. Lannett expects to commence marketing within a few months.

“This transaction reinforces a key element of our growth plan and complements our internal product development efforts with ready-now products,” said Tim Crew, chief executive officer of Lannett. “We are delighted to be working with Adare and impressed with their proprietary technologies and product development capabilities. Our agreement with Adare initially includes one product; we will look to expand the relationship over time. We also continue to evaluate a number of transactions, all of which are intended to further expand our product offering, enhance our top and bottom lines and fortify our cash position.”

Ajay Damani, Vice President, Pharmaceutical Technologies at Adare, added, “We are proud to bring our proven product development capabilities to this important partnership with Lannett. This agreement allows us to capture additional value from our generic product portfolio, while also expanding our operational capabilities to include compliant manufacturing of controlled substances. Together with Lannett, we look forward to making this treatment available in a full range of dosage strengths to patients in the U.S.”

Dexmethylphenidate Hydrochloride ER Capsules has an estimated IMS market value of approximately \$620 million, although actual generic market values are expected to be lower.

Under the agreement, Lannett will primarily provide sales, marketing and distribution support for the product, for which it will receive a percentage of the net profits. Other financial terms were not disclosed.

### **About Adare Pharmaceuticals, Inc.:**

Adare Pharmaceuticals is inspired to improve the lives of patients others have been left behind. Since its creation in 2015, the Company has committed to becoming a global specialty pharmaceutical company applying its longstanding product development capabilities to advance its own pharmaceutical pipeline, while growing its business through partnering efforts and continued advancement of its microbiome and consumer products. With over 600 employees across six global locations, Adare Pharmaceuticals has supported over 60 launches in 44 countries. For more information, visit [www.adarepharma.com](http://www.adarepharma.com).

**About Lannett Company, Inc.:**

Lannett Company, founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of medical indications. For more information, visit the company's website at [www.lannett.com](http://www.lannett.com).

*This news release contains certain statements of a forward-looking nature relating to future events or future business performance. Any such statement, including, but not limited to, successfully commercializing Dexmethyphenidate Hydrochloride ER Capsules, whether expressed or implied, is subject to market and other conditions, and subject to risks and uncertainties which can cause actual results to differ materially from those currently anticipated due to a number of factors which include, but are not limited to, the risk factors discussed in the Company's Form 10-K and other documents filed with the SEC from time to time, including the prospectus supplement related to the proposed offering to be filed with the SEC. These forward-looking statements represent the Company's judgment as of the date of this news release. The Company disclaims any intent or obligation to update these forward-looking statements.*

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